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**SCHAKOWSKY ORGANIZES TOWN HALL
ON THREAT OF SOCIAL SECURITY PRIVATIZATION**

CHICAGO, IL - U.S. Representative Jan Schakowsky (D-IL), Chief Deputy Whip, today told hundreds of Chicagoans that Democrats are united against any plans to privatize Social Security. During the town hall meeting at Loyola University organized by Schakowsky and attended by U.S. Senators Dick Durbin (D-IL) and Barack Obama (D-IL), participants expressed their concerns about President Bush's plan to create private accounts that would drain funds from Social Security, require deep cuts in guaranteed benefits, and add \$5 trillion to the deficit.

"Privatization is the biggest threat facing Social Security today. Under the Bush privatization plan, the average 20 year-old would lose \$152,000 in total retirement benefits," Schakowsky said.

She added, "There is no imminent crisis facing Social Security and it is not going bankrupt, no matter how many times President Bush tries to paint that grim picture. Social Security will pay full benefits for the next forty to fifty years and almost 80% of all benefits after that. Instead of a radical privatization scheme, we have time to make adjustments to strengthen and guarantee Social Security for all generations."

According to the plan that President Bush has said is a model, future benefits would be cut by 46% because initial benefits would be linked to inflation rates instead of wage increases. Those cuts are mandatory - for everyone -whether one sets up a private account or not. And over the next 20 years alone, private accounts would cost \$5 trillion, adding to the deficit and shortening the life of the Trust Fund by 11 years. The Bush plan actually makes the problem worse not better. Furthermore, the Bush plan would not allow individuals to keep the full amount of their private account and the accounts would be taxed at a 70% or higher rate.

"Democrats are willing to work with President Bush and the Republican leadership to make the reasonable changes to strengthen Social Security. We have plenty of time to get it right, to consider things like raising the wage cap or rolling back the tax cuts on the wealthiest 1%, which would solve the projected shortfall in the Trust Fund. But the

President must first abandon his 'my way or the highway' insistence on private accounts that will create a crisis. And Republicans must be willing to sit down with Democrats to work to guarantee, not to jeopardize, the future of Social Security," Schakowsky said.